*243 256 • 472 Although private rice millers in Bangkok operate with a rather high degree of collusion, in the countryside the many small millers compete actively on the basis of price charged for their services or price paid for paddy or both. The comparatively high capital investment of the enterprise has rendered inter-mill competition in the countryside very intense, and it is obvious that the farmer gains economically from such competition. If somehow the government could, by a carefully conceived gradual program, induce a large number of smaller mills to move from Bangkok to the countryside, the farmer will benefit all the more. Already, the trend has been for gradual business decline for Bangkok mills and business upswing for the countryside mills.[8]

*243 256 656 44 It is rather unfortunate, however, that the government has explicitly taken the view that small rice mills (capacity of five tons and under) in the countryside are detrimental to the interest of the farmer. It is officially held that small rice mills would bring about a large number of middlemen who would then combine to suppress the farm price. Actually, more middlemen tend to produce correspondingly keener competition in the marketing process which is beneficial, not detrimental, to rice growers.

*243 256 433 Small rice mills, which may be more conveniently erected in the villages and perhaps with local capital, will reduce the cost of transporting rice by a third, for about two-thirds of the weight of paddy is head rice, the other

8. The Economic Yearbook, edited by Luan Pannoi, Bangkok, 1951.